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*Market Administrator's***BULLETIN***Fred W. Enders*

MARKET ADMINISTRATOR

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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USDA Food Programs Benefit Millions During Fiscal 1966

The Dairy Situation, Economic Research Service, USDA, September, 1966

Secretary of Agriculture Orville L. Freeman has reported that the U.S. Department of Agriculture's food aid programs helped more people in the United States in fiscal year 1966 than the year before. The figures were 26.4 million people for fiscal 1966 compared with 25.4 million in fiscal year 1965.

An increase in the number of school children receiving donated foods was greater than the decrease in the number of people in needy families getting help from either the food donation program or the food stamp program. There was virtually no change in the number of needy children and adults in charitable institutions who got donated foods.

Expansion of the food stamp program doubled the number of members of needy families getting help from this source; but this was more than offset by the drop in needy family members getting donated foods, resulting in part from increased employment.

As fiscal 1966 ended, the food donations program to schools, needy families, and charitable institutions was functioning in all 50 States,

Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

Total USDA food donations during the year ending June 30, 1966, came to more than 1.5 billion pounds compared with about 2 billion pounds a year earlier. Schools, during the comparable periods, received 543.0 million pounds against 661.5 million; institutions received 145.2 million pounds against 172.3 million; and needy families received 854.9 million pounds against 1.1 billion. The school totals do not include additional food that USDA's Consumer and Marketing Service purchased for and distributed exclusively to schools participating in USDA's National School Lunch Programs. In fiscal year 1966, such purchases came to more than 2444.3 million pounds. The food donations for child feeding are in addition to cash assistance of \$141.1 million for school lunches and \$100 million for the Special Milk Program.

The Secretary noted that donated foods, which USDA acquires in its price-support and surplus-removal activities, vary from time to time. Con-

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USDA REPORTS ON SOURCES OF MILK FOR FEDERAL ORDER MARKETS

The Dairy Situation, Economic Research Service,
USDA, September, 1966

The U. S. Department of Agriculture has issued a report describing milk supply areas of Federal order markets.

The report summarizes 1965 data on the number and location of producers delivering milk to Federal order markets, by State and county. It also shows volumes of milk supplied each market, by State of origin.

USDA's Consumer and Marketing Service officials said the report shows that during 1965 handlers subject to Federal milk marketing orders received milk from more than 150,000 producers in 45 states. The volume of milk from these dairymen accounted for nearly one-half of the milk sold off farms to all plants and dealers in the United States.

All of the fluid grade milk from producers in New Mexico and Connecticut was delivered to Federal order plants. In 5 states, C&MS officials said, — Montana, Oregon, South Carolina, Alaska, and Hawaii — no dairy farmers delivered milk to dealers under Federal orders.

Federal order handlers received
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Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

	Sept. 1966	Aug. 1966	Sept. 1965
Producers' Uniform Price (3.5%)	\$5.90	\$5.37	\$4.84
Class I (3.5%)	5.89	5.68	4.88
Class II (3.5%)	4.29	4.20	3.29
Producer Butterfat Differential for each one-tenth percent	9.8¢	9.5¢	8.2¢

UTILIZATION SUMMARY

	Sept. 1966	Aug. 1966	Sept. 1965
Percent of Producer Milk in Class I	87.7	78.5	85.0
Percent of Producer Butterfat in Class I	83.4	76.2	83.0
Percent of Producer Milk in Class II	12.3	21.5	15.0
Percent of Producer Butterfat in Class II	16.6	23.8	17.0

PRODUCER MILK RECEIPTS

	Sept. 1966	Aug. 1966	Sept. 1965
Total Pounds Producer Milk Delivered	40,088,926	41,458,152	42,238,515
Average Daily Class I Producer Milk	1,336,298	1,337,360	1,241,301
Total Number of Producers	1,496	1,491	1,642
Average Daily Receipts per Producer	893	897	858
Average Butterfat Test	3.64	3.57	3.60
Total Value of Producer Milk at Test	\$2,328,095	\$2,243,998	\$1,991,078
Income per Producer (7 Day Average)	\$363	\$339	\$282

GROSS CLASS USE (Pounds)

	Sept. 1966	Aug. 1966	Sept. 1965
Class I Skim	33,955,999	31,414,866	34,654,172
Class I Butterfat	1,216,572	1,126,740	1,260,929
Class I Milk	35,172,571	32,541,606	35,915,101
Class II Skim	4,674,362	8,565,049	6,064,449
Class II Butterfat	241,992	351,497	258,965
Class II Milk	4,916,354	8,916,546	6,323,414

AVERAGE DAILY SALES (Quarts)

	Sept. 1966	Aug. 1966	Sept. 1965
Milk	426,459	381,206	440,370
Buttermilk	6,283	6,644	6,140
Chocolate	33,135	19,190	33,479
Skim	10,870	10,009	13,145
Cream	7,442	7,354	9,129

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

SEPT., 1957 - '66

Year	Receipts From Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1957	23,118,767	3.73	86.0	7.2	3.5	3.3	4.54	4.618	4.248	4.148	3.146	1,885	409
1958	22,663,422	3.71	87.8	8.8	1.0	2.4	4.41	4.472	4.072	3.972	2.968	1,768	427
1959	24,655,540	3.65	92.2	5.7	.8	1.3	4.88	4.584	4.184	3.866	3.167	1,732	475
1960	26,321,725	3.63	85.7	8.6	2.1	3.6	4.77	4.556	4.156	3.851	3.097	1,611	545
1961	27,490,420	3.58	83.0	8.9	3.8	4.3	4.86	4.684	4.284	3.926	3.253	1,229	746
1962	31,068,029	3.65	83.4	7.5	3.1	6.0	4.61	4.43	4.028	3.695	3.022	1,350	767
1963	33,575,439	3.63	87.9	7.4	2.4	2.3	4.76	4.49	4.093	3.818	3.145	1,361	822
1964	41,187,265	3.60	86.2	13.8	—	—	4.54	4.50	3.240	—	—	1,651	832
1965	42,238,515	3.60	85.0	15.0	—	—	4.84	4.88	3.290	—	—	1,642	858
1966	40,088,926	3.64	87.7	12.3	—	—	5.90	5.89	4.29	—	—	1,496	893

January-July Milk Output 4 Percent Under Year Earlier

The Dairy Situation, Economic Research Service, USDA, September, 1966

July milk production was estimated at 10.5 billion pounds, 3.2 percent under a year earlier, and the smallest output for the month since 1937. The June estimate was revised downward slightly to 11.4 billion pounds, 2.9 percent below June 1965, in line with results of the midyear review of cow numbers.

January-July production totaled 74.2 billion pounds, 42 percent less than last year's 77.5 billion. Milk output was up slightly in the Southeast and Delta production areas from a year earlier but remained the same in the Southern Plains Region. In all other regions, production declined, approximated 3 percent in the Northeast, 7 percent in the Lake States, and 6 percent in the Corn Belt, the three leading production areas.

January-July cow number averaged about 5½ percent lower than a year earlier, while milk production per cow gained only 1.5 percent. Thus, the offset of declining cow numbers was only partly offset by increasing output per cow. Output per cow was 5,025 pounds compared with 4,951 pounds for January-July 1965. This gain compares with the 27 percent increase in 1965 over January-July 1964.

Based on the June milk cow numbers, (usually about average for the year), total milk production for 1966 would be about 120½ billion pounds with a 2-percent average gain in output per cow for the year; about 121 billion with a 2½-percent increase; and about 121½ billion with a 3-percent gain. Generally, conditions now are much more favorable to in-

creased milk production than they have been for some time. Because of the relatively low level of output per cow last fall and winter, milk per cow may gain more than usual in the months ahead.

Dairy prices now are in much better balance with livestock and crop prices than a year ago. The milk-feed price ratio favors heavy feeding of grain and concentrates. Prospective hay and forage supplies appear sufficient for anticipated dairy cattle numbers. Increased dairy prices and income are expected to reduce herd culling and dairy cow slaughter during the rest of 1966. However, retirement, increasing costs, dairy labor shortages at prevailing farm wage levels, and off-farm opportunities are likely to continue to reduce the number of dairy herds.

Sharp Drop In Cow Numbers

The Dairy Situation, Economic Research Service, USDA, September, 1966

The number of milk cows on farms in the United States in June 1966 was estimated at 14.6 million, down 5.9 percent from a year earlier. This compares with 3.2-percent decline from a year earlier in June 1965 and 2.9 percent annual average decline for 1955-64. The June estimate tends to approximate the average number of milk cows for the year.

Sharply improved prices for milk, and manufacturing milk supports at \$4.00 per 100 pounds, 89.5 percent of parity, through March 1967, are like-

ly to slow down the sale of dairy herds and reduce culling during the rest of 1966 and in 1967.

Milk-livestock price ratios have moved upward this year as dairy prices have risen. Prospects for further declines in hog prices and little change in beef-cattle prices this fall would improve dairy prices relative to livestock prices. However, with dairy labor shortages, generally increasing costs, fewer replacement stock and continuing high prices for slaughter cows, dairy cow numbers

likely will decline further, but at a lower rate than during the past year.

The number of farms keeping milk cows, according to information from a limited number of States, continued to decline at about the same rate from 1959 to 1964 as from 1954 to 1959. However, the change in 1965 and early 1966 was at a much more rapid rate. Generally improved farm and nonfarm alternatives, rising production costs, and increases in livestock prices, especially those for beef cattle and slaughter cows, were major factors involved.

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THE
Market
Administrators
BULLETIN

COMMERCIAL STOCKS ABOVE A YEAR AGO

The Dairy Situation, Economic Research Service,
USDA, September, 1966

Commercial stocks of manufactured dairy products at the end of July were about 11 percent above a year earlier, 6.4 billion pounds milk equivalent compared with 5.8 billion in 1965. Total holdings — including Government — are lower. This year's commercial gain is partly because of lower milk production and rising wholesale price levels. Government stocks totaled only 37 million pounds, about 1 percent of the 3.5 billion pounds at the end of July 1965. Most of the commercial stocks gain was in butter. Holdings were 90 million pounds at the end of July compared with 58 million a year earlier. Commercial stocks of American cheese, at 334 million pounds, were about 5 percent below those of last July, but rose more rapidly from June to July 1966 than a year earlier. Stocks of other cheese, at 52 million pounds, were about 11 percent higher than in July 1965.

The data suggest that commercial interests built stocks in expectation of lower production than a year ago and continued high levels of demand this fall and winter. Some stocks may have been accumulated earlier this year in expectation of a rise in support levels or higher prices later in the year. Most of the price rises now appear to have been achieved. Increases from now on are likely to be seasonal in nature.

Market Quotations

SEPTEMBER
1966

MINNESOTA - WISCONSIN PRICE SERIES	\$4.34
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	4.19
Average Price per lb. 92-score butter at Chicago	.7488
Average carlot prices non-fat dry milk solids roller and spray process, f.o.b. manufacturing plant	.1973

REPORTS ON SOURCES OF MILK (Continued from Front Page)

milk from producers in nearly 1,900 counties. Dairy farmers in more than 600 counties supplied milk to more than 1 Federal order market.

The orders set minimum prices, based on current supply and demand conditions, which handlers pay the dairy farmers from whom they buy their milk.

Prices consumers pay are not regulated by the orders, but because the orders stabilize marketing conditions between producers and dealers, consumers living in milk order areas have a steady, dependable supply of fresh, wholesome milk. At the end of 1965, approximately 111 million consumers were getting their milk supply through dealers subject to Federal orders, officials said.

Single copies of the new report, entitled "Sources of Milk for Federal Order Markets, By State and County," C&MS-50, may be obtained by postcard request from the Information Division, Consumer and Marketing Service, U. S. Department of Agriculture, Washington, D.C. 20250.

State and local governments cooperate with USDA's Consumer and Marketing Service to bring these food-assistance programs to needy people in families and institutions, and to school children. The foods are always available to feed victims of natural disasters on a priority basis. During fiscal 1966, USDA food benefited victims of floods, hurricanes, tornadoes, blizzards, and a typhoon that struck American Samoa on January 30. American Samoa was still receiving USDA food on disaster basis at the close of fiscal 1966.

USDA FOOD PROGRAMS . . .

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sequently, some foods may not be available for extensive distribution during any given period. The large quantities of beef and cheese, distributed in fiscal 1965 from surplus-removed operations, were not available in 1966. This fact, along with the reduced needy-family, food-donations caseload, account for a drop of some 43 percent in the value of total donations during fiscal 1966 compared with a year earlier.